



The Accountant

Official Publication

of the North Carolina Society of Accountants

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March 2016



A Message From The President

Ronald D. Powell



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Kinetic Leadership—Allow for leadership by identifying individual or team strengths, not just the titles given to individuals. Change leadership styles as the need arises. At times you may need to set the pace—Pacesetter. They know what to do; you just need to keep them on track towards the goal. Coaching—Train them while letting them do it. Be there to advise and make corrections. Sometimes, you may have to be Authoritative—make the decision and give them specific direction. However, once this is done, let them do it. Finally, there is Democracy. Most of the time in an organization like ours, we propose ideas, discuss, and then the group, at either a Board meeting or at Convention, vote to make the decision and make it happen. This year as president, I have seen all of these leadership styles. This is what makes NCSA great. Good people dedicated to making this organization the best it can be.

I know for each of us there has been some type of struggle in the last few weeks. Sometimes it has been a client, sometimes overcoming a technology challenge, finally email after email on NC Sales & Use Tax Directives in the last couple of weeks. They have been informative and, if you are like me, I plan on speaking to our senators and representatives about the timing of any future tax changes—July 1 seems to be a good date. We will survive as we always do; April will come and go before we know it.

I hope you are making plans to attend our annual Convention in Greensboro June 15-17. The location is centrally located, making it easy for many to attend. More details follow later in this issue. You have not seen details about the education because our speaker, for the majority of the education hours, no longer is able to attend, and we are finalizing those hours with other speakers. You should receive an email shortly with all of the Convention and CE details. The education focus will be on practice management. Two topics we have confirmed are Managing Risk & Client Expectations and What Other Issues should concern us for corporations and partnerships besides the preparation of tax returns? Both of these topics will be presented by attorneys and should help us understand what we should or should not do as accountants.



Chapter News

March is roaring in like a lion! Tax season is over halfway done, but don't breathe a sigh of relief just yet, some of our most difficult returns are completed in March. While you are staying busy at work take time out for a chapter meeting and keep abreast of what your colleagues and friends are doing to cope with the busy season. How about you? What helps you cope during this time of year when you are neglecting your family, your health and personal well-being? Remember tax season only lasts a short while but the impact it has on your body can last a lifetime!

Burlington

The Burlington Chapter met Wednesday, February 24th at Kimbers in Gibsonville. **Jonetta Appling** of NCDOR discussed the New NC Sales Tax changes. The chapter will meet again on March 22nd. Burlington chapter normally meets on the 4th Thursday of each month. For more information about the Burlington chapter contact Jim Holmes at jholmes.acct@yahoo.com

Cape Fear

The Cape Fear chapter met at Sammio's in Fayetteville on Monday, February 22nd. Speakers were on hand from the Cumberland County Tax Department to discuss business tax assessments. The chapter will meet again on March 21st with NCDOR reps on hand to speak on Sales Tax. The chapter meets the 1st Monday after the 15th each month. For more information contact Merry Arnett at mparnett@embarqmail.com

Central

The chapter met on Monday, February 22nd at Sagebrush in Asheboro with IRS' **Eugenia Tabon** scheduled to speak to the group. Due to unforeseen circumstances Eugenia was unable to attend and the members held a roundtable discussion. Eugenia is scheduled to attend the meeting on March 25th at Sagebrush. Upcoming: **Ron Powell** will speak on Surviving an Audit on April 25th. Central Chapter meets on the 4th Monday of each month. For more information contact Kevin Robinson at kevrobb@triad.rr.com

Charlotte

The Charlotte Chapter met at Captain Steve's on Monroe Rd. Thursday, February 25th, **Karen Bargsley** with NCDOR spoke to the chapter. The Charlotte Chapter normally meets on the 4th Thursday of each month. For more information contact Louise Pistole at pistole9@windstream.net

Eastern

The Eastern Chapter will meet again April 26th. The Eastern chapter meets on the 4th Tuesday each month at H&R Block in Greenville. For more information contact Karen Spruill at karen.spruill@hrblock.com

Hickory

The Hickory Chapter normally meets the last Monday of each month. For more information contact Susan Dale Moore at [su-san@dalesaccounting.com](mailto:susan@dalesaccounting.com)

Piedmont

The Piedmont Chapter met on Thursday, February 25th at Sagebrush in Kernersville. Piedmont Chapter normally meets on the last Thursday of each month. For more information contact Carol Smith at clstaxes@bellsouth.net

Raleigh

The Raleigh Chapter met on Tuesday, February 23rd at Manchesters. **Bob Pia** will spoke on Partnership K-1 issues at the meeting. The Raleigh Chapter meets on the 4th Tuesday of each month. For more information contact Stephen Metelits at metelits@usa.net

Sandhills-Sanford

The Sandhills-Sanford Chapter met in Sanford at Bay Breeze Seafood on February 25th with **Jim Holmes** giving an NC Update. Details of the next meeting will be announced. For more information contact Gaye Saunders at gaye@saundersaccounting.org

Western

Western Chapter normally meets the 4th Tuesday of each month. For more information contact Beth Evans at Beth.evans@precisionacct.com

Wilmington

The Wilmington Chapter will not meet again until April. Contact Chapter President Marie Izzo for more information at marie@mpwcpas.com

We cannot compile this report without your information. If you have news of your chapter or its members including photos or interesting things that happened at your chapter meeting please email James Upton at jamesupton@rtmc.net or call (336) 873-7690.

Notary Public Manual Updated

James Upton

The North Carolina Secretary of State's Office and the UNC School of Government are releasing a major updated edition of the North Carolina Notary Public Manual this coming month. This marks the first time in 10 years that the legally-required, final authority guide for everything notary in the State of North Carolina has been updated. The new 2016 North Carolina Notary Public Manual includes practical instruction, tips, and best practices for notaries who may be faced with difficult questions from those wanting notarization from them.

Secretary of State notary public and legal staff members spent months writing the manual before they began working with the UNC School of Government publishing staff members to complete the project.

The book goes on sale beginning in March through North Carolina Community College book stores and the UNC School of Government online book store website (www.sog.unc.edu); hardcopy price is \$20 plus sales tax. Also for the first time, the manual can be purchased as a download for eReader devices through the School of Government's online store.

§ 179

Announced in Rev Proc. 2016-14, for tax years beginning in 2016, the aggregate cost of any § 179 property that is expensed cannot exceed \$500,000, which amount is reduced (but not below zero) by the amount the cost of such property placed in service in 2016 taxable year exceeds \$2,010,000.

PATH Revisited

In Rev. Proc. 2016-14, the IRS provides inflation adjustments for certain items of the *Protecting Americans from Tax Hikes Act of 2015*. Original article error correction=The dates appearing were incorrect and should be December 18, 2015.

For taxable years beginning in 2016, certain expenses of elementary and secondary teachers, the amount of the income adjustment paid by a teacher in connection books, supplies (other than non-athletic supplies for courses in health or physical education), computer equipment (including related software and services), and other equipment, and supplementary materials used in the classroom not in excess of \$250.

For taxable years beginning in 2016, the monthly limitation regarding the aggregate fringe benefit exclusion amount for transportation in a commuter highway vehicle and any transit pass is \$255.

For taxable years beginning in 2016, the aggregate cost of any § 179 property that a taxpayer elects to treat as an expense cannot exceed \$500,000. The limitation is reduced (but not below zero) by the amount of the cost of § 179 property placed in service during the 2016 taxable year exceeds \$2,010,000.

Sales Tax

Effective March 1, the following are related to motor vehicles:

1. The repeal of the exemption for a separately stated installation charge that is part of the retail sale of tangible personal property, including tangible personal property installed on a motor vehicle.
2. The imposition of sales and use tax to the sales price of, or gross receipts derived from, repair, maintenance, and installation services for a motor vehicle or tangible personal property.
3. The exemption from sales and use tax of the sales price of, or the gross receipts derived from, a service contract for a motor vehicle.
4. The imposition of sales or use tax on the sales or purchase price of parts or repair, maintenance, and installation services sold at retail and covered under a service contract for a motor vehicle.

Effective March 1, the gross sales price and installation charges by a retailer to a purchaser as part of the retail sales of tangible personal property for a motor vehicle are subject to the general 4.75% state and applicable local and transit rates of sales and use tax, regardless if such installation charges are stated separately on the invoice.

The tax imposed on repair, maintenance, and installation services does *not* apply to the sales price from:

- State safety or emission inspections for motor vehicles.
- Self-service cleaning of motor vehicles (drive through or coin-operated).
- Towing solely for transportation and that is not part of the sales price of tangible personal property or repair, maintenance, and installation services (wrecker service company).
- Storage fees by a storage company.

However, the following services necessary to complete the sale are part of the taxable sales price, even if stated separately on the invoice:

- Trip charge,
- Towing charge or fee, and
- Pick-up fee.

Editor's Message

Stephen Metelits

I have been at this for the better part of 18 years. In all this time, I am asked very few questions about how we turn out an issue of *The Accountant* every month. For the few of you who read this, I am going to answer those unasked questions.

What is the production process? The last week of the month I send reminders to the folks from whom I expect articles to get them to me by the close of business on the last day of the month. I edit articles as I get them. I send what I have to our proofreader. When I get them back, I make necessary corrections and send everything to our publisher, Candace Cansler. She formats the issue and sends me a sample issue. I send her yet more corrections. After making the corrections (we don't go through another cycle because we have been doing this so long that she can read between the lines), she sends the end product to the printer and David Rollins to put on our website

From where do the articles come? Some articles are obvious. The current President of the Society gets the front page. James Upton compiles the Chapter News. Julie McNeill writes the more interesting column. Occasionally, someone submits an article, for which they get credit (thank you). All of the rest I write or steal.

I am a voracious reader, getting many government publications as well as many from accounting and tax societies. Government publications are in the public domain and are available to cite. With articles not already in the public domain, I get permission from the author or publisher to use material in the article. In all cases, I try to give the source of the information.

The Accountant is a newsletter; I try to stick with facts, not opinions or predictions of the future. Sometimes a governmental body (read Legislature or Congress) does something so absolutely stupid, I cannot contain myself. When I write an article that contains my opinion, my name appears at the top.

What editorial style is used? You may have noticed that Society articles are headlined in **blue**; national articles are headlined in **red**, and state articles are headlined in **green**. It doesn't work all the time, but I try.

Areas are assumed to be in NC; if not, I use the two-character postal code. Dates are assumed to be this year; otherwise, I include the year. Frequently, I use abbreviations such as IRS, NC DOR, FTC, SSA, NC DOL, and NC DES. If you don't recognize any of these, send me an e-mail; my address appears at the bottom of the masthead.

Do you edit the English? Yes, I hate dangling participles and split infinitives. The incorrect use of "who" or "whom" gets corrected. The mixed use of singular and plural gets me upset.

After all this, an author is the worst proof reader. I leave that, with many thanks, to the sharp-eyed proof reader of *The Accountant*, Bill Fischer.

NCSA Schedule of Events

2016

June 15–**Board of Directors**,
Sheraton Four Seasons, Greensboro, 5:30 pm

June 16–**Accounting Seminar**,
Sheraton Four Seasons, Greensboro, 8 am-4:30 pm

June 17–**NCSA Convention**,
Sheraton Four Seasons, Greensboro, 9 am-3 pm

June 18–**Board of Directors**,
Sheraton Four Seasons, Greensboro, 9 am

July 22–**Leadership & Committee Day**

August 17-20–**NSA's 71st Annual Meeting**,
Grand Hyatt Tampa, Tampa Bay, FL

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